

CLBC'S FUNDING GUIDELINES

January 2010

CLAN update



OVERVIEW

Costing guidelines were developed to provide a **standardized approach** for CLBC to fund contracts and to create **fairness and equity** across the province. The guidelines define a framework to determine reasonable costs in discussion with service providers.

The optional budget template was developed to assist service providers with budget submissions and to develop a common understanding of submission requirements.



developing the guidelines

- guidelines were piloted in the Vancouver / Coastal and North Interior Quality Service regions during the spring of 2008
- preliminary findings of the pilot phase were presented to the *Provincial Service Provider Reference Group* in September of that year



initial feedback

The following feedback was presented by members of that group and those who participated in the testing phase:

- template for budget submission was too rigid and was presented as a requirement rather than as an optional format
- guidelines were being used inconsistently within the field and beyond the test regions for unendorsed purposes
- there was confusion about how actual service provider costs could be used to adjust funding



changes

Based on initial feedback, CLBC made the following changes to the funding guidelines:

- use of the budget template is voluntary
- revised template is easier to use and formulas can be modified to reflect the specific needs of each agency

CLBC also confirmed its use of the 1997 contract reform project to define staffed services administration versus direct service costs (acceptable administration costs of 7-10%).



introducing the guidelines

The funding guidelines were officially launched in December 2008 for use with new services and for existing services that required a major contract revision.

The guidelines apply to services that use staff / employees to provide supports to CLBC-eligible individuals.



implementing the guidelines

- CLBC provided training sessions for Quality Service Managers, Senior Contract Co-ordinators, and Regional Finance Managers in November 2008
- regional training sessions for analysts and service providers were held between March 2009 and June 2009
- the plan was for guidelines to be phased in over the next three years and for Senior Contract Co-ordinators to lead implementation



using the guidelines

CLBC staff use the guidelines as a starting point in contract negotiation. The guidelines do not replace:

- good judgement
- a spirit of collaboration
- negotiation based on the specific situation

Analysts are still expected to understand the agency so they can truly determine whether CLBC is getting good value for the money being provided.



revising the guidelines

The funding guidelines are meant to respond to the evolving needs of staff and service providers.

In September 2009, CLBC met with representatives of the CEO network and CLAN to hear concerns about the guidelines that had been implemented in December 2008 and to begin working on a resolution to each issue.

The guidelines will be rewritten once this process is complete.



current use of the guidelines

While negotiations are taking place, CLBC and members of the CEO network and CLAN agreed to a limited implementation of the guidelines until we can conclude our discussions between CLBC and the BC C.E.O. Network:

Where a Service Provider is specifically requesting the Costing Tool be applied to their contracts.

New Requests for Proposals (RFPs) would require the use of the current Costing Tool



current use of the guidelines

Contracts that have been identified by CLBC to show a significant variable from similar contracts.

CLBC agreed that they would need to identify a specific and supportable reason for reviewing this particular contract. In addition, CLBC would not then proceed to review "all" of the contracts held by this Service Provider; only the specific contract they have identifiable concerns about.

Substantially Altered Contracts: The example provided was where a 4 person home was being operated – 2 people move out – with 2 people remaining to live in the same home.



areas of initial concern

The following areas of concern were initially identified:

- purpose of the guidelines
- union / non-union equity
- provider ability to manage
- staff schedule
- administration
- cost pressure increases
- supervision



response – purpose of the guidelines

Members of the CEO network and CLAN were concerned that language in the guidelines document used by CLBC staff was contradictory to the expressed purpose of the guidelines.

CLBC has acknowledged that the language was unclear and unintentionally contradictory in certain places. This will be addressed when the guidelines are rewritten.

RESOLVED



response – provider ability to manage

Members of the CEO network and CLAN were concerned that the guidelines reduce the service provider's ability to manage.

CLBC will negotiate fixed rates in the funding guidelines for the sector. Service providers will have the opportunity to manage efficiently to create surplus or profit.

CLBC has shifted to calling them Funding Guidelines.

CLBC supports the development and maintenance of a stable service provider sector so that service providers are able to effectively meet the ongoing needs of individuals and families.

RESOLVED



response – staff schedule

Members of the CEO network and CLAN were concerned that CLBC staff were requesting and using staff schedules inconsistently and inappropriately.

CLBC has confirmed that a staff schedule is required only at budget submission, times of service redesign, and to periodically review contracts. The staff schedule will not be used to evaluate undelivered service.

RESOLVED



response – administration

Members of the CEO network and CLAN required clarification about CLBC's definition of administrative costs. CLBC will change the funding guidelines to say "up to 10% administration".

CLBC will continue to define administration costs for staffed services according to the 1997 contract reform document, but will work with providers and other Ministries to establish a long-term review process.

RESOLVED



response – cost pressure increases

Members of the CEO network and CLAN expressed concern that set guidelines will not reflect cost pressure increases.

CLBC intends to periodically review the guidelines. As funding permits, CLBC will revise the guidelines to cover increased or decreased expenses.

RESOLVED



response – supervision

Members of the CEO network and CLAN expressed concern about the fact that CLBC does not currently have prescribed supervision guidelines / ratios.

CLBC is in the process of negotiating with the CEO network and CLAN to determine supervisory ratios and whether hours expended in the supervision or co-ordination of the service (off-line) are included in service levels.

OUTSTANDING – to be resolved



additional concerns

As CLBC has worked through the initial concerns with members of the CEO network and CLAN, additional issues have been identified. These include the following:

- principles for reviewing under- or over-provision of service levels
- process for determining whether benefit rates are applied based on FTE's or employees
- funding of facility costs
- the number of funded training days



principles for reviewing service levels

CLBC has drafted a set of principles and practice that will guide staff in reviewing service levels.

We have received feedback on this draft and once finalized and agreed, these will be used to provide specific direction to CLBC staff and service providers.

OUTSTANDING – to be resolved



benefit rates

Members of the CEO network and CLAN requested that CLBC revisit the process for determining benefit rates included in the funding guidelines.

CLBC is willing to look at benefit rates and is working with the CEO network and CLAN to obtain the data required to make an informed decision on this matter.

OUTSTANDING – to be resolved



training costs

Members of the CEO network and CLAN requested that CLBC revisit the number of training days included in the funding guidelines.

CLBC is willing to look at required training days and is seeking information from the CEO network and CLAN to make an informed decision on this matter.

OUTSTANDING – to be resolved



response – union / non-union equity

Members of the CEO network and CLAN are concerned that the funding guidelines unfairly advantage unionized agencies.

CLBC is committed to providing equitable funding, over time, for union and non-union service providers and is working through this issue with both organizations. CLBC has already agreed to treat union and non-union service providers equitably when providing funding for additional compensation costs beginning in the 2010-11 fiscal year.

OUTSTANDING – to be resolved



funding of facility costs

There is no standard for the funding of facility costs. CLBC is prepared to accept the concept of market rent as a go-forward proposition for new contracts, but current negotiations will not address this issue in relation to existing contracts.

CLBC will create a project to review historical circumstances. We welcome the input of service providers as we research this issue.

OUTSTANDING – to be resolved



NEXT STEPS

- resolve outstanding issues that have been identified
- establish an approach to explore the funding of facilities within existing contracts
- Work with other s to establish an approach to research the definition of administrative costs
- rewrite the funding guidelines to reflect the decisions made in partnership with the CEO network and CLAN
- orient CLBC staff and service providers to revised guidelines

